
Finance

MISSION STATEMENT

The mission of the Department of Finance is to prudently manage financial operations, recommend and implement sound fiscal policies, safeguard public assets, and encourage a safe environment on public property.

County Government Reorganization

In February, 2008, the County Executive announced a detailed Montgomery County Government Reorganization in order to improve effectiveness, customer service, accessibility, and efficiency. As part of this plan, the Internal Audit function will be moved from the Department of Finance into the Offices of the County Executive.

BUDGET OVERVIEW

The total recommended FY09 Operating Budget for the Department of Finance is \$54,150,990, an increase of \$590,840 or 1.1 percent from the FY08 Approved Budget of \$53,560,150. Personnel Costs comprise 24.1 percent of the budget for 122 full-time positions and two part-time positions for 115.5 workyears. Operating Expenses account for the remaining 75.9 percent of the FY09 budget.

The Finance Operating Budget is composed of a General Fund component (the Director's Office and the Divisions of Treasury and Controller) and the Risk Management Division, which is funded by the Liability and Property Coverage Self-Insurance Fund. The total FY09 Operating Budget for the General Fund component is \$10,727,300 a decrease of \$728,870 or 6.4 percent from the FY08 approved budget of \$11,456,170. Personnel Costs comprise 86.5 percent of the General Fund budget for 110 full-time and 2 part-time positions for 84.5 workyears. Operating Expenses account for the remaining 13.5 percent of the budget.

The FY09 Finance General Fund budget reflects the shifting of the internal audit functions (\$921,860, 4.8 WYs) into the Offices of the County Executive from the Department of Finance. FY08 program descriptions, costs and workyears have been restated under the new organizational structure to make it easier to compare FY08 and FY09 program expenditures and staffing. In the budget summary, FY07, FY08 and FY08 estimated figures reflect the old organizational structure, while FY09 figures reflect the new organizational structure.

The total FY09 Operating Budget for the Self-Insurance Fund component of Finance (Risk Management) is \$43,423,690, an increase of \$1,319,710 or 3.1 percent from the FY08 approved budget of \$42,103,980. Personnel Costs comprise 8.7 percent of the Self-Insurance Fund budget for 12 full-time positions for 31.0 workyears. Operating Expenses account for the remaining 91.3 percent of the budget. Included in the total workyears are 18.6 workyears charged to the Self-Insurance Fund by the Office of the County Attorney and 0.4 workyear charged by the General Fund component of Finance (Controller Division) for services provided in support of Risk Management.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ ***A Responsive, Accountable County Government***
- ❖ ***Strong and Vibrant Economy***

PERFORMANCE MEASURES

This table presents what the department estimates and projects will be the FY08 through FY10 data for its performance measures if there are no changes in funding.

Measure	Actual FY06	Actual FY07	Estimated FY08	Projected FY09	Projected FY10
Annual bond ratings from three major rating agencies	AAA	AAA	AAA	Expected	Expected
Receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in financial reporting ¹	Yes	Expected	Expected	Expected	Expected
County Core Business Systems: User service requests processed	2,752	2,379	2,700	2,700	2,700
County Core Business Systems: Average time to close Help Desk tickets	N/A	N/A	N/A	N/A	N/A
Total cost to the County of workers compensation cases (per \$100 of payroll)	2.76	2.64	2.35	2.39	2.44

¹The County is continuing practices necessary to qualify for the GFOA Certificate of Achievement. The County has been awarded this certificate more times than any other county in the nation (37 times).

ACCOMPLISHMENTS AND INITIATIVES

- ❖ **Continue implementation of Business Process Review and Enterprise Resource Planning, with the Responses to the County's Request for Proposals due in Spring 2008. Also shift funding for the MCtime initiative to the CIP Technology Modernization Project to reflect multi-year nature of the implementation and integration into the ERP initiative.**
- ❖ **Consolidate various Treasury Tax Operations into a single unit, reflecting a greater emphasis on customer service and the allocation of operations resources to activities experiencing a high volume and peak customer demand.**
- ❖ **Successfully retained our AAA rating from three credit rating agencies; sold our largest General Obligation bond issue of \$250 million in the Spring of 2007 and issued a \$70.3 million GO Bond refunding in the Spring of 2008, which generated over \$3.3 million in debt service savings.**
- ❖ **Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the 37th year.**
- ❖ **Ensure funding for retiree health benefits through pre-funding and the establishment of a Trust Fund, resulting in a smaller liability and lower costs over the long term.**

PROGRAM CONTACTS

Contact Nancy Moseley of the Department of Finance at 240.777.8886 or Bryan Hunt of the Office of Management and Budget at 240.777.2770 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Debt and Cash Management

This program provides effective debt and cash management with the goal of maintaining the County's AAA General Obligation Bond debt rating, and the active investment of the County's working capital to minimize risk while generating the maximum investment income. Program objectives include managing the timely and economic issuance of short- and long-term financial obligations; developing and maintaining strong rating agency and investor relations; preparing accurate and timely financing documents, including the County's Annual Information Statement; ensuring strict compliance with disclosure requirements; coordinating bond counsel review; providing high-quality consulting services for County agencies, managers, staff, elected officials, the press, and residents on issues related to debt and cash management, and managing the County's relationship with the banking community.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	530,640	3.8
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	17,550	0.0
FY09 CE Recommended	548,190	3.8

Information Technology

This program provides overall direction for the development of automated systems and technology to support effective and efficient achievement of the Department's mission. Activities are proactively coordinated with the Department of Technology Services, other County departments, and department staff to ensure consistency of department systems with countywide automation policies and standards. The program oversees development, selection, procurement, implementation, and maintenance of the Finance

Department's automated systems and components. This program is also responsible for managing data integrity, security, and controls within the County's financial and procurement systems, including timely and comprehensive completion of financial systems upgrades, effective education of County financial systems users, timely response to customer questions, proactive trouble shooting and system maintenance, and the timely and accurate provision of internal financial reports.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	2,178,790	8.5
Increase Cost: Timesheet Data Entry Contract	120,000	0.0
Increase Cost: IT Maintenance and Licenses	12,260	0.0
Increase Cost: Eliminate Chargeback to BIT for IT Support	7,220	0.1
Decrease Cost: Cashing Module	-5,200	0.0
Shift: MCtime Transfer to CIP Technology Modernization Project	-550,400	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-136,880	-1.0
FY09 CE Recommended	1,625,790	7.6

Accounts Payable

This program is responsible for timely and accurate payments to vendors for goods and services provided to the County; complying with County policies and procedures; and carrying out State and Federal reporting requirements. Payments to vendors are initiated and approved by individual departments. The Accounts Payable program is responsible for review and final approval of payments of \$5,000 or more, as well as most refunds and other non-expenditure disbursements. Payments under \$5,000 are individually reviewed and approved by operating departments and potentially subject to post-payment audit by Accounts Payable. The Accounts Payable program is also responsible for administration of the County's Purchasing Card Program which incorporates both purchasing and travel related expenditures.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	504,110	6.7
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	19,820	0.0
FY09 CE Recommended	523,930	6.7

General Accounting

This program is responsible for the analysis, interpretation, and presentation of the County's financial position and results of operations through timely, accurate, and professional financial reports. These reports provide public assurance as to the accountability and integrity of the use of County resources; adherence to budgetary policies established by management; and compliance with Federal, State, and County mandates. The program prepares the Comprehensive Annual Financial Report, Debt Service Booklet, Single Audit Report of Federal Grant Programs, and State Uniform Financial Report, as well as numerous other standardized and specialized reports. This program also provides high quality, timely service to County departments through technical assistance and through preparation, review, and approval of County financial transactions.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	1,860,270	18.2
Shift: Chargeback to DPS for Compliance with Accounting Standards	-12,120	-0.1
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	166,930	0.0
FY09 CE Recommended	2,015,080	18.1

Payroll

This program is responsible for managing and maintaining the County's payroll system and functions as prescribed by Federal, State, and County laws, and local regulations. The program provides timely and accurate payroll disbursements to County employees, accounts for payroll deductions, issues W-2 statements to account for pre-tax and post-tax benefits, maintains official payroll and leave records, and responds to internal and external inquiries. The program proactively operates in conjunction with other County departments to maintain and develop efficient and effective improvements to the Human Resources Management System and the

electronic timekeeping system.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	580,370	6.6
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	185,720	1.0
FY09 CE Recommended	766,090	7.6

Tax Operations

This program is responsible for the timely and accurate collection and processing of all County administered taxes, including property taxes (which are the County's second largest revenue source), transfer and recordation taxes (relating to real property transfers and recordation of instruments of writing), and several excise taxes (fuel/energy, telephone, hotel/motel). The program is also responsible for the administration of the County's Working Families Income Supplement program, the Public Advocate for Assessments and Taxation (Public Advocate) program, and numerous tax credit, deferral, and assistance programs. The Property tax portion of this program provides the calculation and distribution of tax bills; accounting and distribution of tax collections to the State of Maryland, municipalities, and other entities; collection of delinquent accounts through the tax lien sale process; and communication of and access to tax and account information by attorneys and title companies for preparation of property settlements, and by the public for review and assistance with issues. The Transfer and Recordation tax portion of this program ensures that all other taxes, fees, and charges associated with the property tax account are paid in full prior to recording of the deed for that property by the State of Maryland. The Public Advocate program provides an independent review of State-determined property tax assessment valuations for fairness and accuracy and therefore protects the public interest by acting on behalf of the taxpayers and the County.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	2,276,390	26.9
Shift: Chargeback to Parking Districts and Solid Waste Services for Billing Services	-5,650	0.0
Reduce: Consolidate Treasury Division Operations: Reduce Staffing	-162,930	-2.7
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	305,750	1.0
FY09 CE Recommended	2,413,560	25.2

Treasury Operations

This program is responsible for providing coordination and oversight of treasury operations and customer services through the cashiering function. All money received by the County, directly through the cashiering operation, collected by other agencies or the State of Maryland, or through the internet and bank lockbox operation, is processed, administered, and recorded in a timely fashion in the County's accounting system. This program handles property, transfer and recordation, and excise taxes; fines and fees; and offers specific employee services, such as the fare media pass. Functioning as a banking operation, the tellers are a primary provider of person-to-person customer service to County residents.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	308,890	5.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	28,070	-1.0
FY09 CE Recommended	336,960	4.0

Insurance

The Montgomery County Self-Insurance Program, established under County Code 20-37, provides comprehensive property and casualty insurance for the County and participating agencies. The program is funded through contributions from the agencies, which are based upon an annual actuarial analysis of outstanding and projected future claims filed against the participants. The program provides accurate and timely insurance and risk management advice to participating agencies and reduces County and participating agency exposure to risk by: comparing the cost of commercially available coverage to evaluate the best method of funding exposure to loss; transferring contractual risk under indemnification/hold harmless agreements; avoiding risk; operating proactive safety programs; and purchasing commercial insurance policies.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	39,078,670	4.0
Increase Cost: Contract for Claims Administration	1,075,890	0.0
Add: Coverage for 97 buses brought in-house to the County	736,140	0.0
Increase Cost: Claims Payments	573,000	0.0
Increase Cost: Commercial Insurance Policies	279,000	0.0
Increase Cost: Annualization of FY08 Personnel Costs	207,810	0.0
Increase Cost: To pre-fund retiree health insurance on the multi-year schedule	16,870	0.0
Decrease Cost: Annualization of FY08 Operating Expenses	-16,870	0.0
Decrease Cost: Actuarial Study	-20,000	0.0
Eliminate: Claim audit is performed biennially and will not be performed in FY09	-40,000	0.0
Decrease Cost: Adjustment to Claims Reserves (IBNR)	-1,892,000	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-112,160	0.0
FY09 CE Recommended	39,886,350	4.0

Occupational Safety and Health

This program coordinates reporting to Federal and State regulatory agencies on health and safety issues. The State-required injury reports and the mandated safety training and record keeping are completed on schedule. The program responds promptly to inspections and queries from the Maryland Occupational Safety and Health Administration. Accident prevention programs are conducted, and training is provided continuously in loss prevention and loss control to promote a safe and healthy work environment for County employees.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	637,620	5.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	124,230	0.0
FY09 CE Recommended	761,850	5.0

Legal Services

This program funds activities of the Office of the County Attorney, which provides legal services including investigation, negotiation, and litigation on behalf of the County and agencies that participate in the Self-Insurance Program.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	1,912,330	17.0
Add: Workers' Compensation Claims Support Attorney I	75,930	0.8
Add: Workers' Compensation Claims Support Administrative Assistant	43,800	0.8
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	144,350	0.0
FY09 CE Recommended	2,176,410	18.6

Operations and Administration

This program includes operational support for the department as well as the administrative portions of the Director's Office, the Division of the Controller, the Treasury Division, and the Division of Risk Management. The program provides support for efficient, effective, and timely accomplishment of the Department's mission, including budget development and oversight, personnel administration, strategic planning, and contract administration. It is also responsible for accurate revenue and economic forecasting, and publishing reports on economic and revenue analysis on a monthly and quarterly basis for dissemination to the County Council and public. The program provides effective management of the financial aspects of economic development initiatives; proactive development of intergovernmental policy alternatives and impacts; and high quality consulting services for County agencies, managers, staff, elected officials, the press, and citizens.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	2,739,040	14.4
Increase Cost: Central Duplicating: Postage and Mailing Vendor Checks	55,010	0.0
Increase Cost: Annualization of FY08 Lapsed Positions	44,060	0.5
Increase Cost: Central Duplicating: Postage Rate Increase	38,840	0.0
Increase Cost: State Administrative Fee - Homeowners Tax Credit Supplement	8,500	0.0
Increase Cost: Temporary Office Support	5,000	0.0
Increase Cost: Annualization of FY08 Operating Expenses	3,930	0.0
Increase Cost: Central Duplicating Deficit Recovery Charge	1,490	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY08	-3,840	0.0
Decrease Cost: Outsourcing of Vendor Checks	-30,270	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	235,020	0.0
FY09 CE Recommended	3,096,780	14.9

BUDGET SUMMARY

	Actual FY07	Budget FY08	Estimated FY08	Recommended FY09	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	6,091,476	6,895,040	6,798,040	6,879,360	-0.2%
Employee Benefits	2,042,888	2,399,740	2,331,000	2,400,160	0.0%
County General Fund Personnel Costs	8,134,364	9,294,780	9,129,040	9,279,520	-0.2%
Operating Expenses	2,027,774	2,161,390	2,161,390	1,447,780	-33.0%
Capital Outlay	44,605	0	0	0	—
County General Fund Expenditures	10,206,743	11,456,170	11,290,430	10,727,300	-6.4%
PERSONNEL					
Full-Time	103	113	113	110	-2.7%
Part-Time	2	2	2	2	—
Workyears	89.7	91.5	91.5	84.5	-7.7%
REVENUES					
Miscellaneous	4,941	0	0	0	—
Miscellaneous	2,531	0	0	0	—
Development District Fees	40,772	42,140	42,260	43,670	3.6%
Procurement Card Rebate	21,162	23,910	23,370	27,900	16.7%
WSSC Reimb.: Benefit Charge on Tax Bill	97,730	97,860	97,860	92,700	-5.3%
Municipalities Reimb.: Property Tax Services	50,584	51,660	51,660	52,880	2.4%
State Reimb.: Bay Restoration Fund	28,686	23,250	22,990	22,990	-1.1%
Bad / Dishonored Check Fees	66,993	35,000	60,000	60,000	71.4%
Tax Certification Fee	3,500	2,500	2,500	2,500	—
Tax Sale Fee	36,350	30,000	35,000	35,000	16.7%
Child Support Payment Fees	19,178	19,110	19,110	19,210	0.5%
Conduit Bond Fees	130,302	100,130	110,140	109,560	9.4%
County General Fund Revenues	502,729	425,560	464,890	466,410	9.6%
SELF INSURANCE INTERNAL SERVICE FUND					
EXPENDITURES					
Salaries and Wages	2,242,257	2,465,130	2,440,260	2,897,530	17.5%
Employee Benefits	682,803	716,730	751,660	886,660	23.7%
Self Insurance Internal Service Fund Personnel Costs	2,925,060	3,181,860	3,191,920	3,784,190	18.9%
Operating Expenses	25,589,530	38,922,120	38,922,120	39,639,500	1.8%
Capital Outlay	0	0	0	0	—
Self Insurance Internal Service Fund Expenditures	28,514,590	42,103,980	42,114,040	43,423,690	3.1%
PERSONNEL					
Full-Time	12	12	12	12	—
Part-Time	0	0	0	0	—
Workyears	29.4	29.4	29.4	31.0	5.4%
REVENUES					
Montgomery County (Special, Entpr. & Int. Serv.)	3,681,020	3,766,470	3,766,470	4,401,970	16.9%
Montgomery County General Fund NDA	9,351,920	8,836,850	8,836,850	9,809,740	11.0%
Fire and Rescue Services	7,481,920	7,013,960	7,013,960	6,398,710	-8.8%
Board of Education	8,415,330	8,275,520	8,275,520	7,800,400	-5.7%
Montgomery College	354,380	331,890	331,890	402,080	21.1%
M-NCPPC	874,880	943,200	943,200	1,269,800	34.6%
Housing Opportunities Commission	558,910	491,430	491,430	231,070	-53.0%
Revenue Authority	112,660	111,290	111,290	158,800	42.7%
City of Gaithersburg	158,590	142,800	142,800	159,820	11.9%
City of Rockville	990,940	999,600	999,600	1,077,990	7.8%
Takoma Park	258,160	231,430	231,430	197,480	-14.7%
Housing Authority-City of Rockville	27,340	22,650	22,650	16,340	-27.9%
Other Municipal Income	44,190	23,670	23,670	19,320	-18.4%
Other - Recovered Losses	575,011	1,100,000	1,100,000	1,100,000	—
Investment Income - Pooled and Non-Pooled	6,138,903	6,490,000	5,060,000	3,280,000	-49.5%
Bethesda Urban Partnership	0	14,280	14,280	7,660	-46.4%
Self Insurance Internal Service Fund Revenues	39,024,154	38,795,040	37,365,040	36,331,180	-6.4%
DEPARTMENT TOTALS					
Total Expenditures	38,721,333	53,560,150	53,404,470	54,150,990	1.1%
Total Full-Time Positions	115	125	125	122	-2.4%
Total Part-Time Positions	2	2	2	2	—
Total Workyears	119.1	120.9	120.9	115.5	-4.5%
Total Revenues	39,526,883	39,220,600	37,829,930	36,797,590	-6.2%

FY09 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY08 ORIGINAL APPROPRIATION	11,456,170	91.5
<u>Changes (with service impacts)</u>		
Reduce: Consolidate Treasury Division Operations: Reduce Staffing [Tax Operations]	-162,930	-2.7
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: General Wage and Service Increment Adjustments	468,010	0.0
Increase Cost: Group Insurance Adjustment	122,950	0.0
Increase Cost: Timesheet Data Entry Contract [Information Technology]	120,000	0.0
Increase Cost: Retirement Adjustment	83,280	0.0
Increase Cost: Central Duplicating: Postage and Mailing Vendor Checks [Operations and Administration]	55,010	0.0
Increase Cost: Annualization of FY08 Lapsed Positions [Operations and Administration]	44,060	0.5
Increase Cost: Central Duplicating: Postage Rate Increase [Operations and Administration]	38,840	0.0
Decrease Cost: Printing and Mail Adjustments	22,360	0.0
Increase Cost: Annualization of FY08 Personnel Costs	20,100	0.0
Increase Cost: IT Maintenance and Licenses [Information Technology]	12,260	0.0
Increase Cost: State Administrative Fee - Homeowners Tax Credit Supplement [Operations and Administration]	8,500	0.0
Increase Cost: Eliminate Chargeback to BIT for IT Support [Information Technology]	7,220	0.1
Increase Cost: Office Supplies and Equipment	6,440	0.0
Increase Cost: Temporary Office Support [Operations and Administration]	5,000	0.0
Increase Cost: Communication: Telephones, Cellular, Blackberries	4,430	0.0
Increase Cost: Annualization of FY08 Operating Expenses [Operations and Administration]	3,930	0.0
Increase Cost: Central Duplicating Deficit Recovery Charge [Operations and Administration]	1,490	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY08 [Operations and Administration]	-3,840	0.0
Decrease Cost: Cashing Module [Information Technology]	-5,200	0.0
Shift: Chargeback to Parking Districts and Solid Waste Services for Billing Services [Tax Operations]	-5,650	0.0
Shift: Chargeback to DPS for Compliance with Accounting Standards [General Accounting]	-12,120	-0.1
Decrease Cost: Turnover Savings used to Fund OE Annualizations and Shortfalls	-21,250	0.0
Decrease Cost: Outsourcing of Vendor Checks [Operations and Administration]	-30,270	0.0
Shift: MCTime Transfer to CIP Technology Modernization Project [Information Technology]	-550,400	0.0
Shift: Internal Audit to Offices of the County Executive	-961,090	-4.8
FY09 RECOMMENDED:	10,727,300	84.5
SELF INSURANCE INTERNAL SERVICE FUND		
FY08 ORIGINAL APPROPRIATION	42,103,980	29.4
<u>Changes (with service impacts)</u>		
Add: Coverage for 97 buses brought in-house to the County [Insurance]	736,140	0.0
Add: Workers' Compensation Claims Support Attorney I [Legal Services]	75,930	0.8
Add: Workers' Compensation Claims Support Administrative Assistant [Legal Services]	43,800	0.8
Eliminate: Claim audit is performed biennially and will not be performed in FY09 [Insurance]	-40,000	0.0
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Contract for Claims Administration [Insurance]	1,075,890	0.0
Increase Cost: Claims Payments [Insurance]	573,000	0.0
Increase Cost: Commercial Insurance Policies [Insurance]	279,000	0.0
Increase Cost: General Wage and Service Increment Adjustments	219,860	0.0
Increase Cost: Annualization of FY08 Personnel Costs [Insurance]	207,810	0.0
Increase Cost: Group Insurance Adjustment - Risk Management	35,160	0.0
Increase Cost: Retirement Adjustment	19,770	0.0
Increase Cost: To pre-fund retiree health insurance on the multi-year schedule [Insurance]	16,870	0.0
Increase Cost: Motor Pool Rate Adjustment	3,850	0.0
Decrease Cost: Printing and Mail Adjustments	1,320	0.0
Increase Cost: Central Duplicating Deficit Recovery Charge	180	0.0
Decrease Cost: Annualization of FY08 Operating Expenses [Insurance]	-16,870	0.0
Decrease Cost: Actuarial Study [Insurance]	-20,000	0.0
Decrease Cost: Adjustment to Claims Reserves (IBNR) [Insurance]	-1,892,000	0.0
FY09 RECOMMENDED:	43,423,690	31.0

PROGRAM SUMMARY

	FY08 Approved		FY09 Recommended	
	Expenditures	WYs	Expenditures	WYs
Debt and Cash Management	530,640	3.8	548,190	3.8
Information Technology	2,178,790	8.5	1,625,790	7.6
Accounts Payable	504,110	6.7	523,930	6.7
General Accounting	1,860,270	18.2	2,015,080	18.1
Payroll	580,370	6.6	766,090	7.6
Tax Operations	2,276,390	26.9	2,413,560	25.2
Treasury Operations	308,890	5.0	336,960	4.0
Insurance	39,078,670	4.0	39,886,350	4.0
Occupational Safety and Health	637,620	5.0	761,850	5.0
Legal Services	1,912,330	17.0	2,176,410	18.6
Operations and Administration	2,739,040	14.4	3,096,780	14.9
Totals	52,607,120	116.1	54,150,990	115.5

CHARGES TO OTHER DEPARTMENTS

Recipient Department	Recipient Fund	FY08		FY09	
		Total\$	WYs	Total\$	WYs
GENERAL FUND					
CIP	CIP	1,015,040	8.8	2,003,730	15.4
Community Use of Public Facilities	Community Use of Public Facilities	3,940	0.1	4,440	0.1
DEP-Solid Waste Services	Solid Waste Collection	30,890	0.4	31,290	0.4
DEP-Solid Waste Services	Solid Waste Disposal	308,070	2.3	310,030	2.3
DEP-Solid Waste Services	Vacuum Leaf Collection	26,310	0.3	26,550	0.3
DOT-Parking Lot Districts	Parking District - Bethesda	70,650	0.9	78,250	0.9
DOT-Parking Lot Districts	Parking District - Montgomery Hills	5,650	0.1	5,520	0.1
DOT-Parking Lot Districts	Parking District - Silver Spring	42,110	0.5	45,770	0.5
DOT-Parking Lot Districts	Parking District - Wheaton	13,310	0.2	13,740	0.2
Human Resources	Employee Health Benefit Self Insurance Fund	127,510	1.0	135,150	1.0
Human Resources	Retirement Saving Plan	22,070	0.2	22,700	0.2
Human Resources	Employee Retirement System	48,840	0.4	45,410	0.3
Human Resources	BIT 457 Deferred Comp. Plan	20,740	0.1	21,290	0.1
Permitting Services	Permitting Services	0	0.0	12,120	0.1
Public Works and Transportation	Printing & Mail	4,600	0.1	4,670	0.1
Risk Management	Self Insurance	44,920	0.4	48,530	0.4

FUTURE FISCAL IMPACTS

Title	CE REC.		(\$000's)			
	FY09	FY10	FY11	FY12	FY13	FY14
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY09 Recommended	10,727	10,727	10,727	10,727	10,727	10,727
No inflation or compensation change is included in out year projections.						
Labor Contracts	0	494	520	520	520	520
These figures represent the estimated cost of general wage adjustments, service increments, and associated benefits.						
Cashiering Module	0	-63	-63	-63	-63	-63
Year 2 of avoided costs resulting from the addition of Cashier Module software.						
Electronic Time Reporting and Management System (MCTime)	0	56	2	-78	-149	-149
Master Lease Payments						
Timesheet Data Entry Keypunch Contract	0	0	-330	-330	-330	-330
For timesheet data entry keypunching services.						
Subtotal Expenditures	10,727	11,215	10,857	10,777	10,705	10,705

Title	CE REC. FY09	FY10	FY11	(\$000's) FY12	FY13	FY14
SELF INSURANCE INTERNAL SERVICE FUND						
Expenditures						
FY09 Recommended	43,424	43,424	43,424	43,424	43,424	43,424
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY09	0	30	30	30	30	30
New positions in the FY09 budget are generally lapsed due to the time it takes a position to be created and filled. Therefore, the amounts above reflect annualization of these positions in the outyears.						
Labor Contracts	0	236	251	251	251	251
These figures represent the estimated cost of general wage adjustments, service increments, and associated benefits.						
Claims Audit	0	40	0	40	0	40
Items not in FY09 funding; i.e., the claims audit, will be added to the base every other year.						
Claims Expense	0	2,303	4,968	7,837	10,929	15,311
These figures represent claim projections stated by the Actuary.						
Claims Service Contract	0	203	414	633	862	862
Funds expenses for the County's Actuarial Specialized Services Contract.						
Excess Liability Insurance Policy	0	40	40	40	40	40
For the County's excess liability insurance policy premium expenses.						
Retiree Health Insurance Pre-Funding	0	22	45	67	72	78
These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.						
Subtotal Expenditures	43,424	46,298	49,172	52,323	55,608	60,035

ANNUALIZATION OF PERSONNEL COSTS AND WORKYEARS

	FY09 Recommended		FY10 Annualized	
	Expenditures	WYs	Expenditures	WYs
Add: Workers' Compensation Claims Support Administrative Assistant [Legal Services]	43,800	0.8	54,750	1.0
Add: Workers' Compensation Claims Support Attorney I [Legal Services]	75,930	0.8	94,910	1.0
Total	119,730	1.6	149,660	2.0